GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:166
ANSWERED ON:09.03.2015
REVENUE AND EXPANSES OF AVIATION SECTOR
Ajmal Shri Sirajuddin

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the total revenue earned and expenditure incurred by the Air India and other Public Sector Undertakings under his Ministry during the last three years and the current year, organization and year-wise;

(b) the total expenditure incurred on advertisement and publicity, passenger amenities and infrastructure and their percentage during the said period, organisation-wise;

(c) whether the Government has desired the Air India to slash the wasteful expenditure in order to curtail its mounting losses and if so, the details thereof along with the action taken by Air India in this regard; and

(d) the initiatives taken by the Government to increase the revenue of Civil Aviation Sector?

Answer

Minister of CIVIL AVIATION (Shri Ashok Gajapathi Raju Pusapati)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a), (b), (c) & (d) LOK SABHA STARRED QUESTION NO.166 TO BE ANSWERED ON 9.3.2015 REGARDING REVENUE AND EXPENDITURE OF AVIATION SECTORS TABLED BY SHRI SIRAJUDDIN AJMAL, MP:

(a) Total Revenue earned and expenditure incurred by the following PSUs under this Ministry during the last three years are as under:-

Air India Ltd. (In Crores)

	2011-12	2012-13	2013-14	2015 (Up to (Jan 15)
Total Revenue	14,713.81	16,072.11	19,093.49	21401.64
(Provisional)				
Total Expenditure	23,461.53	23,703.95	26,420.18	26013.97
(Provisional)				

Hans Ltd.:

Total Revenue	438.15	482.05	543.05	452.39
Total Expenditure	437.06	454.11	488.36	399.45

Airports Authority of India:

Total Revenue	5878.66	6917.37	8184.41	7285.87
Total Expenditure	4514.54	5580.16	5566.48	5221.11

(b) Total expenditure incurred on advertisement and publicity, passenger amenities and infrastructure and their percentage of the PSUs under this Ministry are as under :-

Air India Ltd.:	2011-12	2012-13	2013-14	2015 (Upto Jan.,15)

Expenditure on Advertisement & Publicity	39.77	59.31	42.99	80.00
Passenger Amenities	470.83	485.50	605.25	620.00
Infrastructure	53.22	372.48	325.48	363.00
Total Expenditure (Provisional)	763.82	917.29	973.72	1063.00
Percentage	3.30	3.90	3.70	4.09

Pawan Hans Limited:

Expenditure on Advertisement & Publicity.	2.83	1.11	0.49	0.42
Passenger Amenities	Nil	Nil	Nil	Nil
Infrastructure	Nil	Nil	Nil	Nil
Total Expenditure	2.83	1.11	0.49	0.42
Percentage	0.6	0.2	0.1	0.1

Airports Authority of India:

Expenditure on Advertisement & Publicity.	10.76	07.67	12.28	8.75
Passenger Amenities	1119.85	1515.52	1752.28	1543.17
Infrastructure	1991.00	1790.61	1150.16	1230.46
Total Expenditure	3121.61	3313.80	2914.72	2782.38
Percentage	69.14	59.38	52.36	53.29

(c) Government has set up Prof. Dholakia`s Committee in March, 2013 suggesting their recommendations on costs cutting. Highlights of the report with recommendations made in the executive summary of the Report and the savings potential likely to be achieved which is around Rs.3,241 crores.;

Besides the above, as a part of the Financial Restructuring Plan, the Government has set up an Oversight Committee to monitor the progress of Air India in respect of the achievements of the milestones set up by the Government consist of Secretary, Ministry of Civil Aviation, representative from Ministry of Civil Aviation, Finance Secretary and the Chairman State of Bank of India on behalf of the Lenders. This committee meets regularly to review the performance of Air India.;

(d) The main steps taken by Government:-

(i) Abolition of Aircraft Acquisition Committee to speed up the Acquisition of Aircraft.

(ii) Policy guidelines to set up Air Freight Stations (AFSs) have been approved to increase the Cargo volume.

(iii) To increase the connectivity and civil aviation growth, States Govt. have been requested to reduce the vat on ATF. Some States have reduced the VAT.

(iv) Action has been taken for augmentation of non traffic revenue by exploiting commercially available resources and by identify the unutilized assets and infrastructure.

(v) Decision has been taken to convert the existing old terminal building into common user cargo terminals. Decision has also been taken for development of cities sites for augmenting non traffic revenue.

(vi) The FRP and TAP, have been approved by Government of India for Air India under this Government has agreed to infuse equity to the extent of Rs.30,231 crores in Air India in the next 10 years, besides guaranteeing the principal and interest payment of NCDs of Rs.7400 crores. An Oversight Committee has been formed consisting of Members from MOCA, MOF and the lenders to review Air India`s performance regularly before the release of Equity. An Oversight Committee reviews Air India`s performance on regular basis.